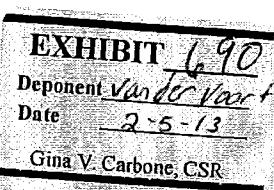


# **EXHIBIT 690**

# Recruiting and Human Resources Update

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Lucasfilm Ltd.  
Board of Directors Meeting  
October 19, 2007



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LUCAS00013706

## Agenda

- Overview
- Human Resources
  - [REDACTED]
  - [REDACTED]
- Recruiting
  - Company growth plans
  - Demographics and changes in the marketplace
  - Meeting the challenges
- Executive Session

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# Company Organization

Real Estate

JAK Productions

Lucasfilm

Skywalker  
Properties

Licensing

LDAC

ILM

Sky Sound

LucasArts

**TOTAL EMPLOYEES ~ 1,800**

Animation U.S.

Animation Sing



L9b4

# Human Resources Scope

---

Employee  
Relations

Labor  
Relations

People  
Strategy/Leade  
rship  
Development

Technical  
Training and  
Development

Global  
Talent  
Acquisition

Compensation/  
Benefits



## CAO Strategic Focus for 2007-2008

---

- Culture and Communication
  - Vision, Values
- Talent Selection and Development
  - Global Recruiting
  - Development (technical and leadership)
- Rewards
  - Compensation, Benefits, unique Lucas value proposition
- Infrastructure
  - Systems and processes



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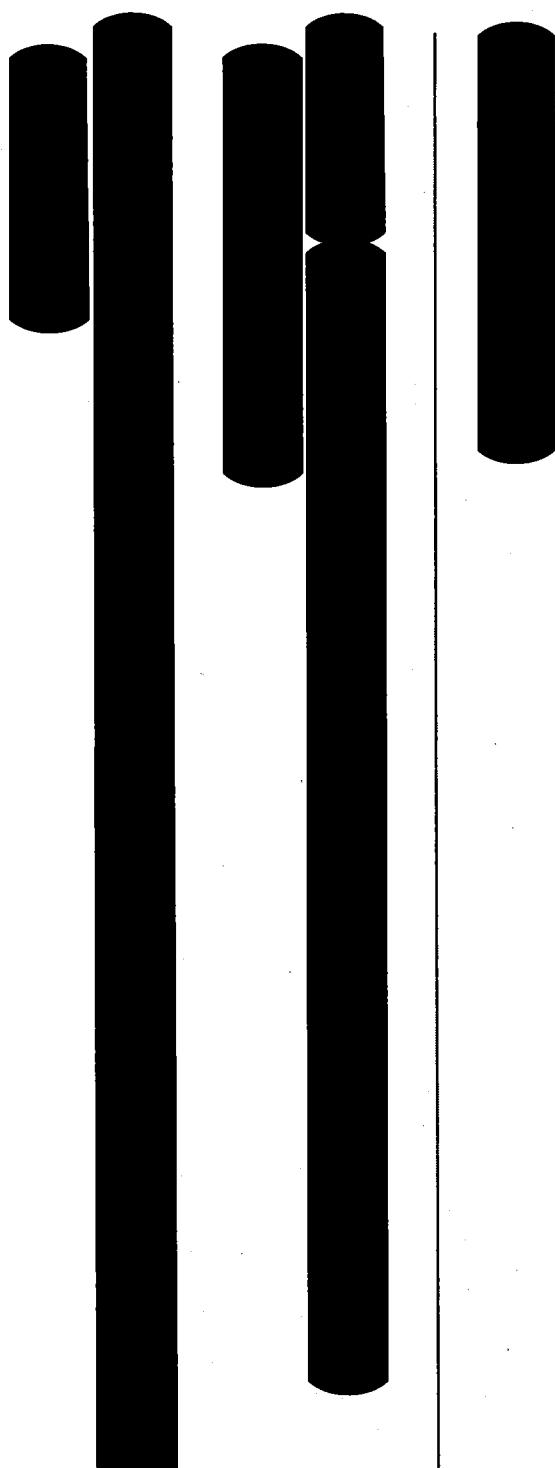
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# Recruiting

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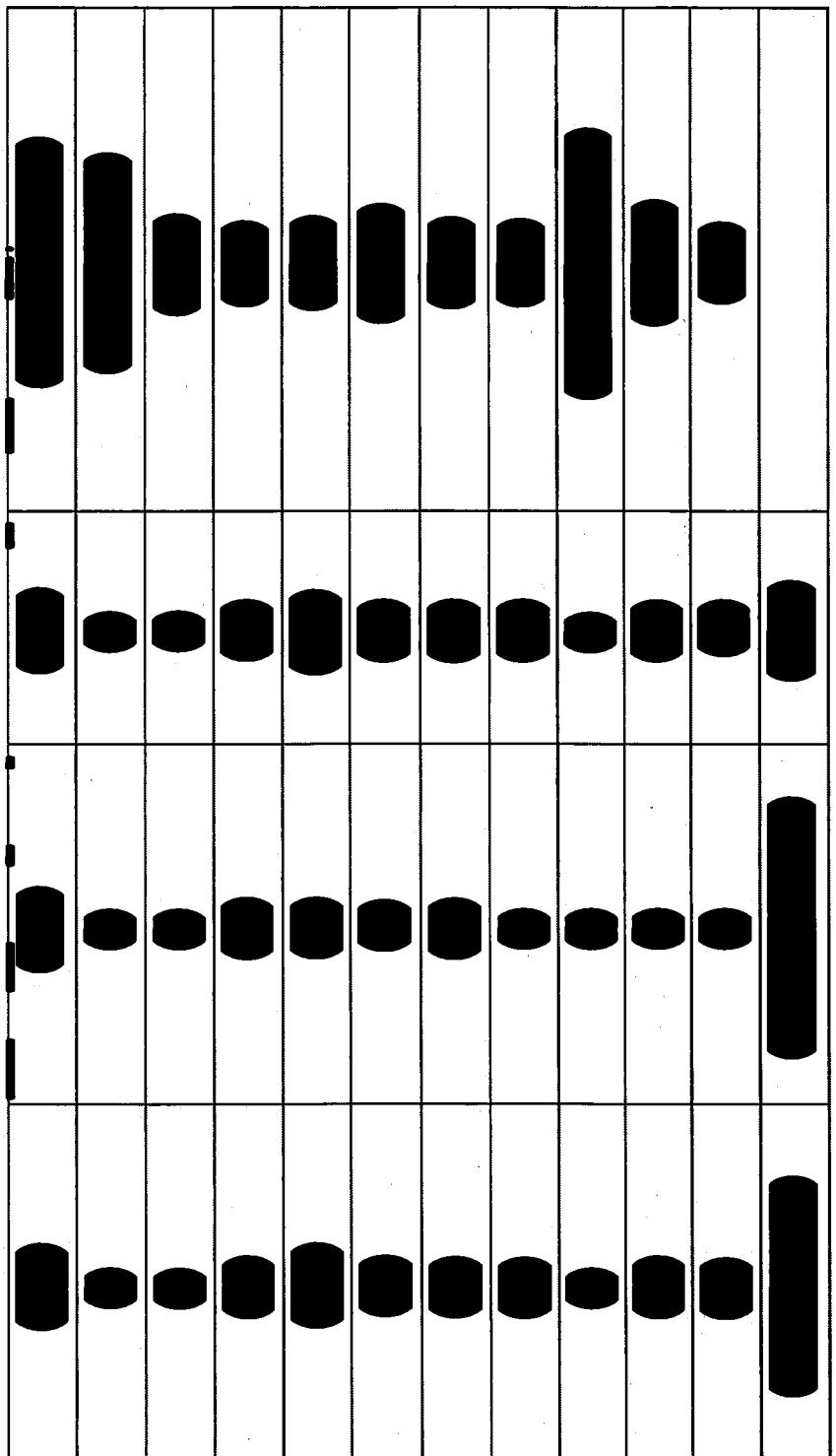
## Changes in Company Demographics

---

<b>Area of Residence</b>	<b>In 2004</b>	<b>In 2007</b>
East Bay	14%	12%
Marin	47%	31%
Sonoma	12%	5%
NE Bay (Napa/Vallejo area)	4%	3%
San Francisco	19%	40%
South Bay	3%	9%
SE Bay (Fremont area, lower 880 toward 101)	1%	1%



## 2007 Recruiting Statistics



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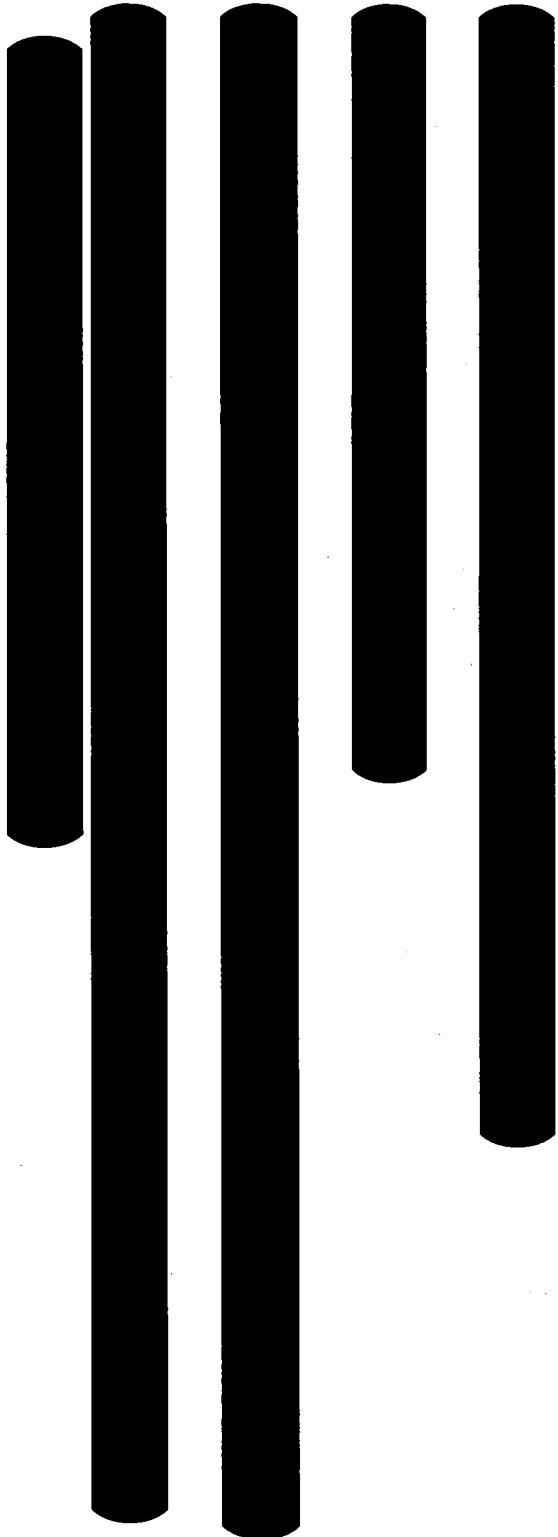
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## 2007 Recruiting Statistics

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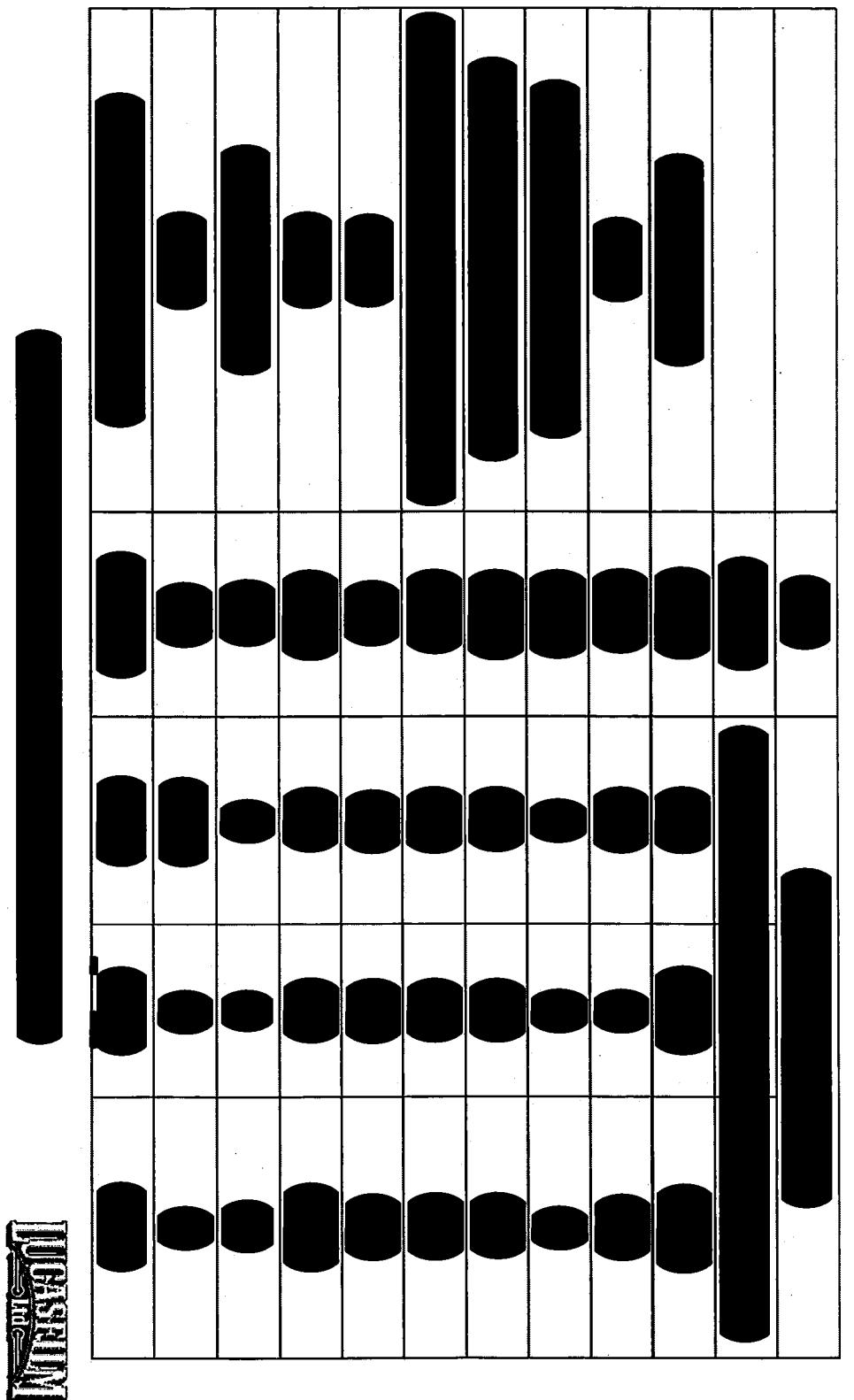
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## 2008 Projected Growth



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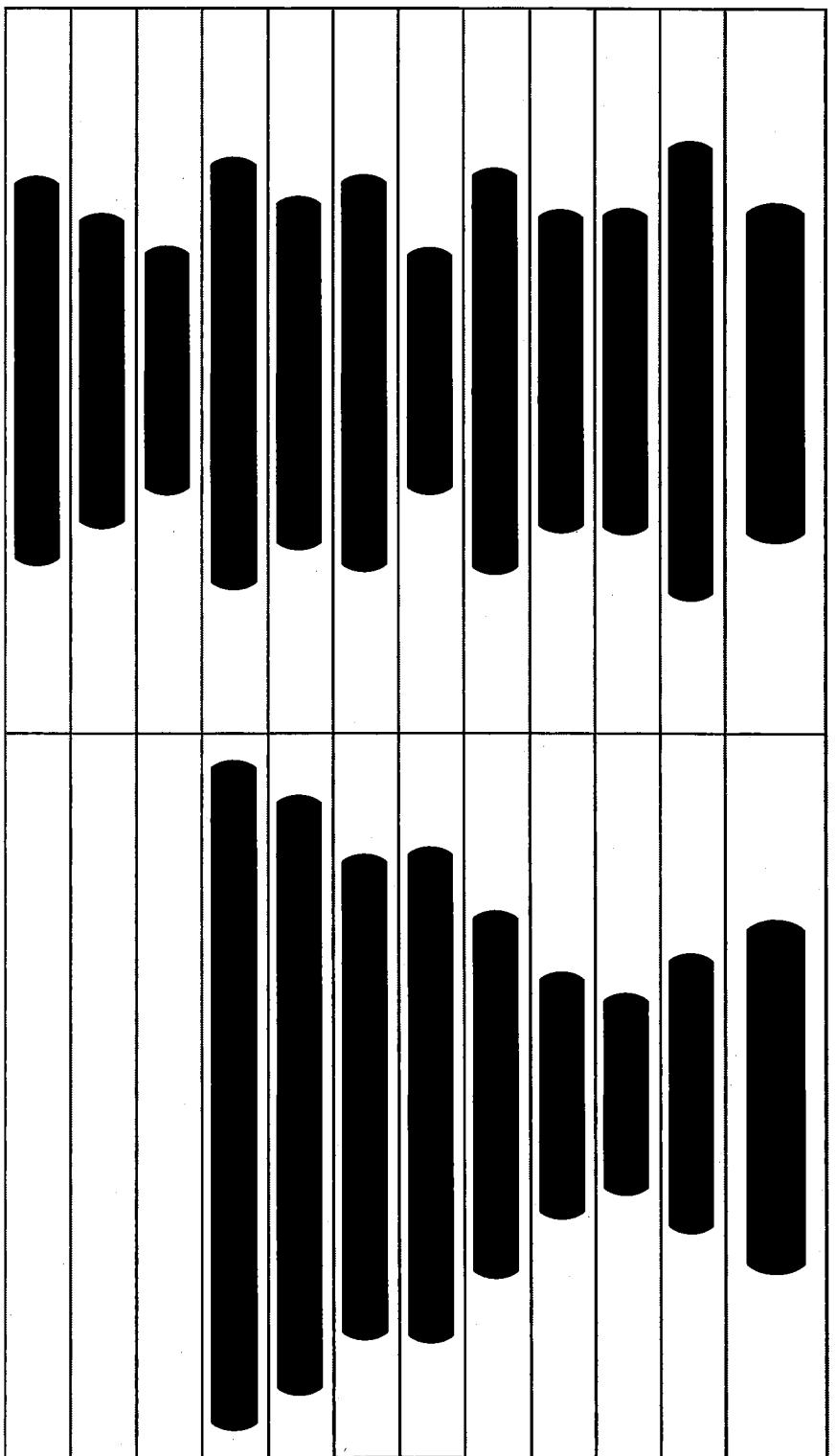
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## Recruiting Headlines by Division

LEC	<input type="radio"/>	Talent hard to find, "passive" candidates; lots of local competition; new industry; reputation challenge
LAL	<input type="radio"/>	Lots of available talent; cultural and artistic sense critical; easy to recruit junior talent/senior difficult; reputation mixed
LAS	<input type="radio"/>	Little local talent; high rental costs; easy to get visas; growing reputation
LFL / LECL	<input type="radio"/>	Junior talent easy/senior very difficult to find; lots of competition; good reputation
SS	<input type="radio"/>	Very project-based; organized work force; no local competition; good reputation
ILM	<input type="radio"/>	Very project-based; organized work force; excellent rolodex of project staff; reputation "sells" the job
Real Estate	<input type="radio"/>	No significant issues

Examples of Positions to Fill



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## #1 - Sourcing for Talent

---

- Passive Talent difficult to find
- It is a candidate market right now
- Extremely diverse needs for each division
- Tools not in place
- Need to think “out of the box” to get the best and the brightest
- Change recruiting strategy from gatherer to hunter



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## #2 - Compensation

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#3 - Competition in the Bay Area

---

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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## #4 - Immigration and Visas

---

- H1-B's were on lottery and completely gone this year in 48 hrs
- O-1's require an advanced degree, being published or 10+ years of experience
- We use every possible method to get visas for our talent but it is not enough
- Immigration expenses have doubled – 20K for a green card
- Gaming talent is international



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## #5 - Retention

---

- Revolving door; Lucasfilm has become the training ground for entertainment community
- Recruiting and training is very expensive; need to increase talent tenure to get a reasonable return on our investment

[REDACTED]

- Need to create strategies to keep people here, especially those working on company growth related projects



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## What We're Doing

---

- Building the right recruiting organization to support the ebb and flow of our businesses
- JEDI Academy & JuMP program
- All Companies Referral bonus plan
- Applicant Tracking System
- Re-branding ourselves to generate excitement about the company



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## Recruiting Challenges

---

1. Sourcing for talent
2. Competition in the Bay Area
3. Immigration and Visas
4. Retention
5. Compensation



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## #1 - Sourcing for Talent

---

- Passive talent difficult to find
- It is a candidate market right now
- Extremely diverse needs for each division
- Must think “out of the box” to get the best and the brightest; schools outreach
- Current market conditions require “hunters”, not just “gatherers”



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## #2 - Competition in the Bay Area

---

- San Francisco offers an increasing variety of interesting opportunities for candidates
  - Pixar, IM Digital, PDI, Tippett, Orphanage, EA Redwood Shores, LeapFrog
  - Google, Yahoo, MySpace, Apple, TiVO, Nvidia
- Being based in San Francisco gives good candidates more choices



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## #3 - Immigration and Visas

---

- H1-B lottery gone this year in 48 hours (received 10, denied 3)
- O-1's require an advanced degree, being published or 10+ years of experience (applied for and received 13)

[REDACTED]

- No immigration issues in Singapore; employees can easily be transferred



## #4 - Retention

---

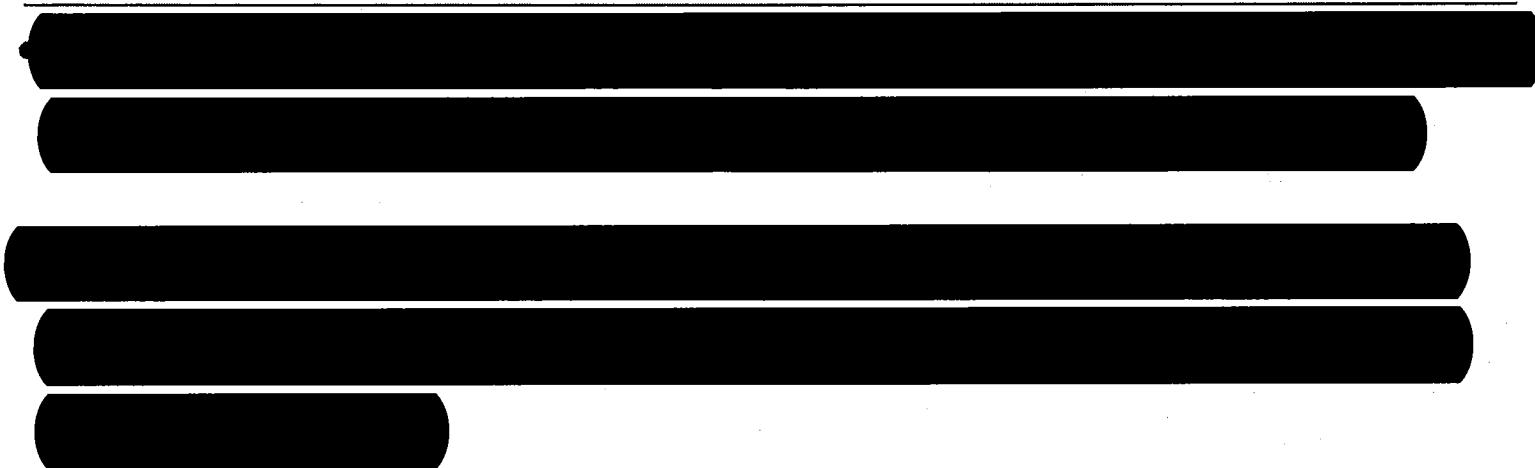
- Lucasfilm is the training ground for the entertainment community
- [REDACTED]
- [REDACTED]
- [REDACTED]
- Focus on retention of key people
- Career development



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## #5 - Compensation

---



- Hot job market drives prices – frequently, candidates have competing offers
- Some competitors are targeting higher comp levels for “A” players, especially with equity



## What We're Doing

---

- Building the right recruiting organization to support the ebb and flow of our businesses
- Developing formal internship and training programs to bring in junior talent and get them up to speed quickly
- Referral bonus plan for all employees
- Applicant Tracking System to increase productivity of recruiters
- Re-branding through new website



## Training and Development

---

- Jedi Academy
- Jedi Masters Program
- STRAT



## JEDI Academy *Targeted Internship Program*

---

- Targets internships toward schools where we can find talent for “hard to find” recruiting areas – engineering, computer science and art
- Builds a pipeline of eager interns and new employees ready to join the company every June
- Uses undergraduate internships as a building block to create partnerships with targeted schools
- Targeting 50 interns

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## JEDI Academy *2008 Proposed Numbers*

---

- LucasArts – 18 interns
- LAL – 5 interns
- ILM R&D – 8 interns
- ILM CG Production – 3 interns
- LECL – 7 interns
- Lucasfilm Misc. – 8 interns
- Documentaries – 1 intern

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## JEDI Academy *Target Schools*

- Technical
  - Berkeley
  - Stanford
  - Illinois Urbana-Champaign
  - SFSU (for IT / IS)
  - Carnegie-Mellon
  - MIT
  - Texas A&M
  - University of Washington
  - Georgia Tech
  - Waterloo
  - USC (Gamepipe Lab)

• \* proposed targets in yellow

- Art
  - Savannah College of Art and Design (SCAD)
  - Art Center College of Design - Pasadena
  - Cal Arts
  - Academy of Art
  - SF Art Institute
  - San Jose State
  - Otis College of Design
  - Ringling
- Production/Direction
  - University of Southern California (USC)

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## Jedi Masters Program

### *Program Purpose*

---

- To provide Production Experience in Animation, VFX and Games
- To raise the local industry Mid and Senior Level Artistic and Technical Talent
- To raise the skill level of existing LAS Artists
- To provide Professional Development Training to existing LAS Artists
- To produce talent on par with Lucasfilm US

## Jedi Masters Program *Program Structure*

---

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- Focused, production centered training with in-depth, real time hands on experience
- Instructors provided by Industrial Light & Magic, LucasArts, and Lucasfilm Animation
- Direct expert mentorship for each and every student

## Jedi Masters Program Scope

---

- Existing LAS artists and new trainees
  - New trainees will be drawn from Singapore and the surrounding regions
  - Extremely competitive entrance requirements
  - 150 trainees over 2.5 years
- Also talking with U.S. schools about placing students in Singapore

Le90.39

# STRAT

## *A New Version of T.A.P.*

---

- 21 INTERNS IN 2008
- ILM
  - Software R&D
  - Lucasfilm Animation
    - Lighting TDs
    - Software R&D
    - Creature Developers
  - LucasArts
    - Game Artists and Engineers

c

Website

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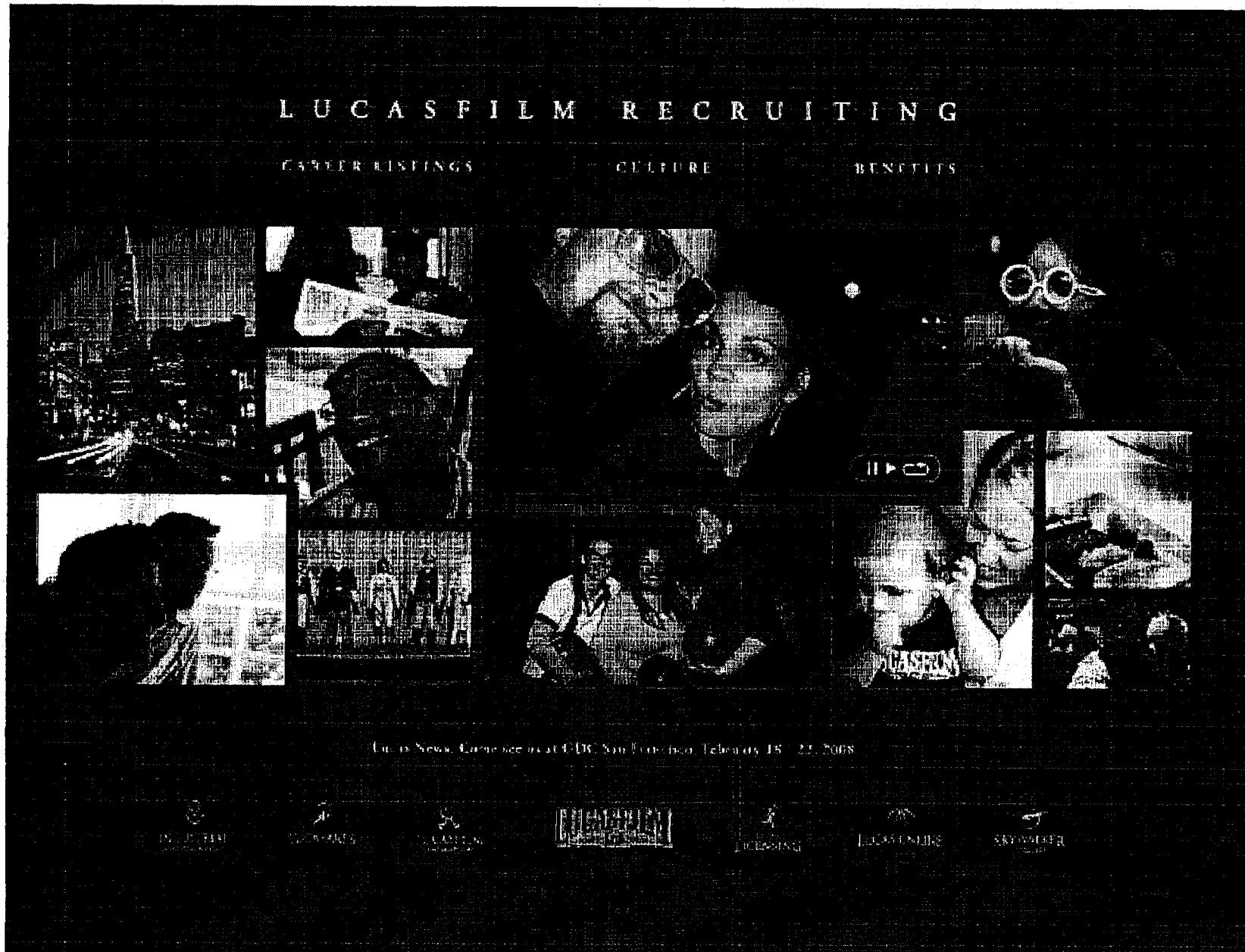
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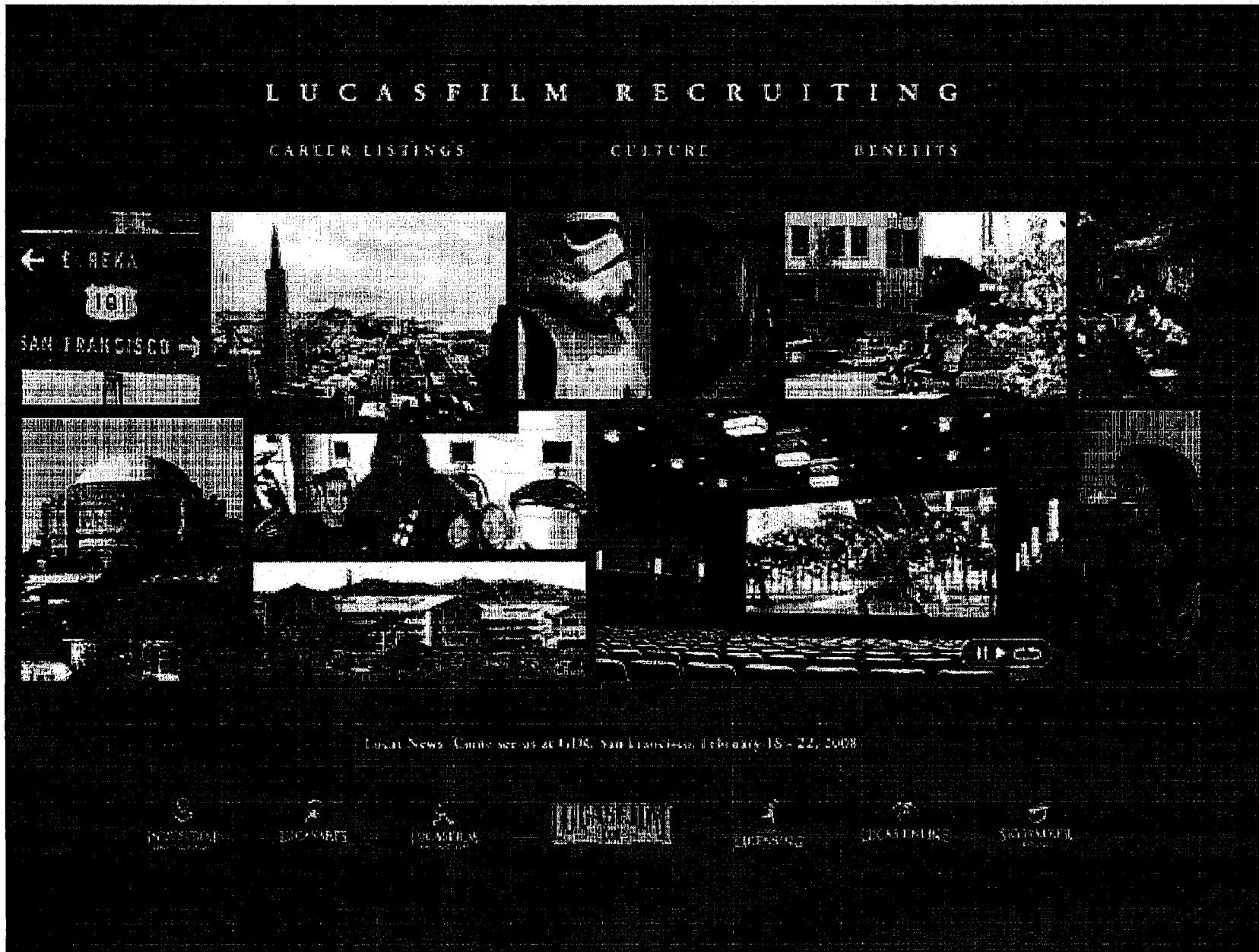


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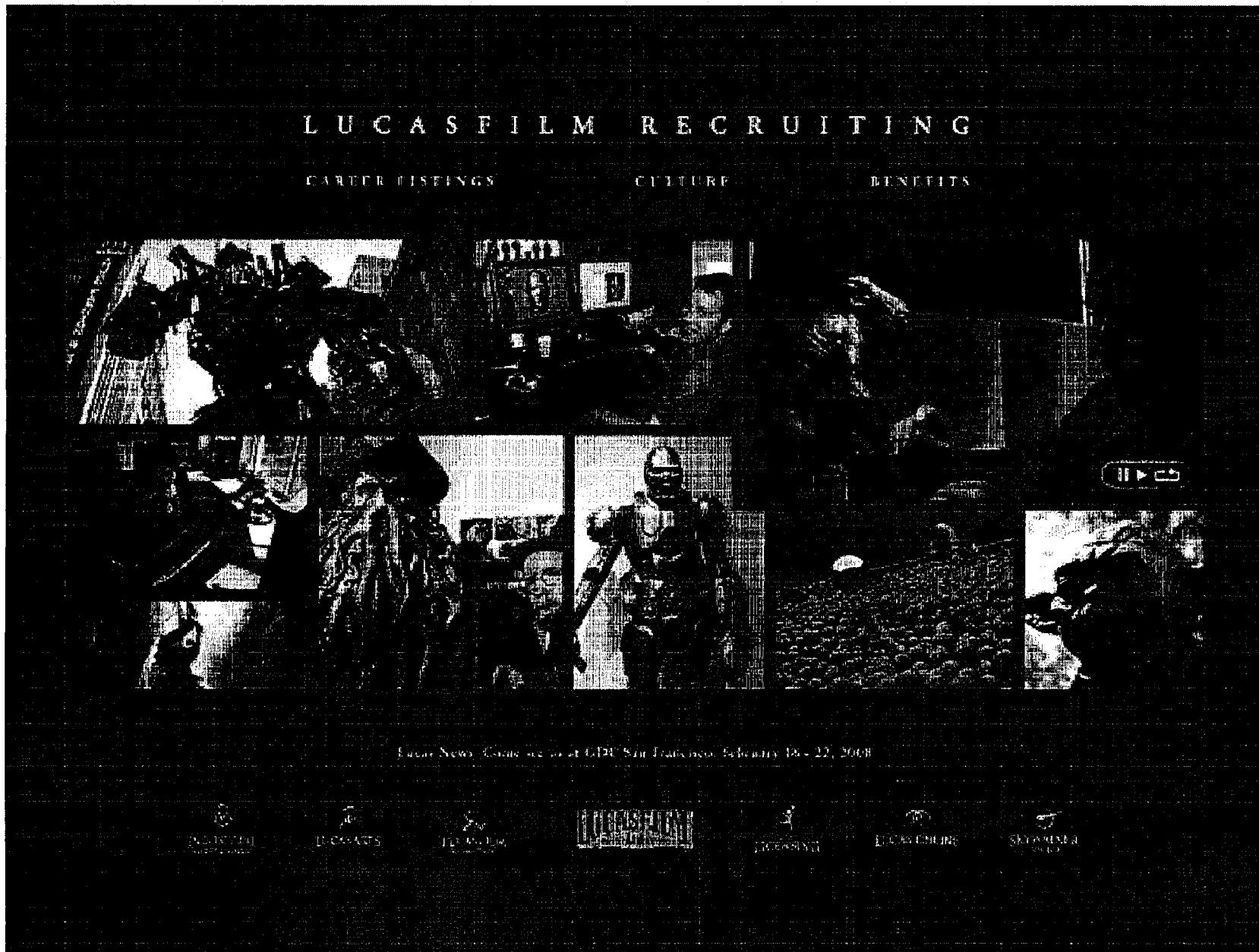
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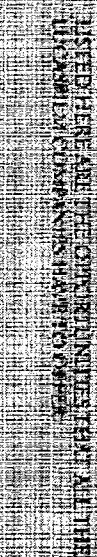
# L U C A S F I L M R E C R U I T I N G

C O U T I C R

B E N E F I T S

C A R T E R P A C K • P R O P E R T Y S O L U T I O N S

S U B M I S S I O N G U I D E L I N E S • R E L O C A T I O N S D E P O



## L U C A S F I L M R E C R U I T I N G

L I C E N S E R Y

Our production and post-contract experience will allow us to assist you in finding a place to work, and to make your transition from one production company to another as smooth as possible. We offer a wide range of services, including relocation, housing, and travel.

R

## M E D I A & L I G H T M A G I C A N A L Y S I S

D E S C R I P T I O N : Upon completion of each contract, we conduct a post-contract analysis to determine what went well, what didn't, and what can be improved for the next project.

S U B J E C T :

Post-contract analysis is done on a cost, contract by contract basis, and is limited to major projects. It does not include smaller, more specific or one-off minor contracts.

S E C U R I T Y & T H E S E C R E T

## L U C A S F I L M R E C R U I T I N G

S E C U R I T Y

D E S C R I P T I O N : Upon completion of each contract, we conduct a post-contract analysis to determine what went well, what didn't, and what can be improved for the next project.

I M P R O V E M E N T S

Post-contract analysis is done on a cost, contract by contract basis, and is limited to major projects. It does not include smaller, more specific or one-off minor contracts.

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# LUCASFILM RECRUITING

CARRIER FAQS

UNIVERSITY RECRUITERS

CULTURE

BENEFITS

SUMMISSION GUIDELINES

RELOCATIONS INFO

## FIND THE JOB YOU'LL LOVE

PULL DOWN EACH JOE CRITERIA TO SEE ALL THE OPTIONS  
AND CAN SEARCH WITH

ORGANIZATION

FUNCTION

KEYWORD SEARCH

DATE POSTED

SEARCH

VIEW APPLICANTS

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TURN INTO CHART

## Recruiting Organization

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- LECL – 1 Director, 1 Recruiter, 1 Recruiting Coordinator = 2
- ILM – 2 Recruiters, 1 Recruiting Coordinator = 3
- ILM R&D – 1 Recruiter, 1 Recruiting Coordinator = 2
- LEC – 1 Staffing Manager, 8 Recruiters, 4 Sourcers, 3 Recruiting Coordinators = 16
- LFL - 2 Recruiters, 1 Recruiting Coordinator = 2
- LAL US – 1 Recruiter, 1 Recruiting Coordinator = 2
- LAL SG – 3 Recruiters = 3                   **TOTAL Staff = 31**



# Recruiting Videos

---

Intergalactic Colleagues

LAS Recruiting Reel

QuickTime™ and a  
H.264 decompressor  
are needed to see this picture.

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QuickTime™ and a  
Sorenson Video 3 decompressor  
are needed to see this picture.

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EXECUTIVE SESSION

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UNUSED SLIDES



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## JEDI Academy, JuMP & STRAT

---

- JEDI Academy – Summer internship program – focused on LEC, R&D and misc. other
- JuMP – Singapore training initiative
- STRAT – Singaporeans trained in US to move back to Singapore and populate LAS



## Projected 2008 Recruiting Demands

---

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

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Need to talk about our  
attrition rate, not just  
industry benchmarks



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# All Companies Referral bonus plan

---

- The money bullets make no sense. We should really talk about what the program is and what we're hoping to gain from it (e.g., how many applicants do we get from our employees, how the program did last year, anything else interesting). You get the drift.



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# Applicant Tracking System

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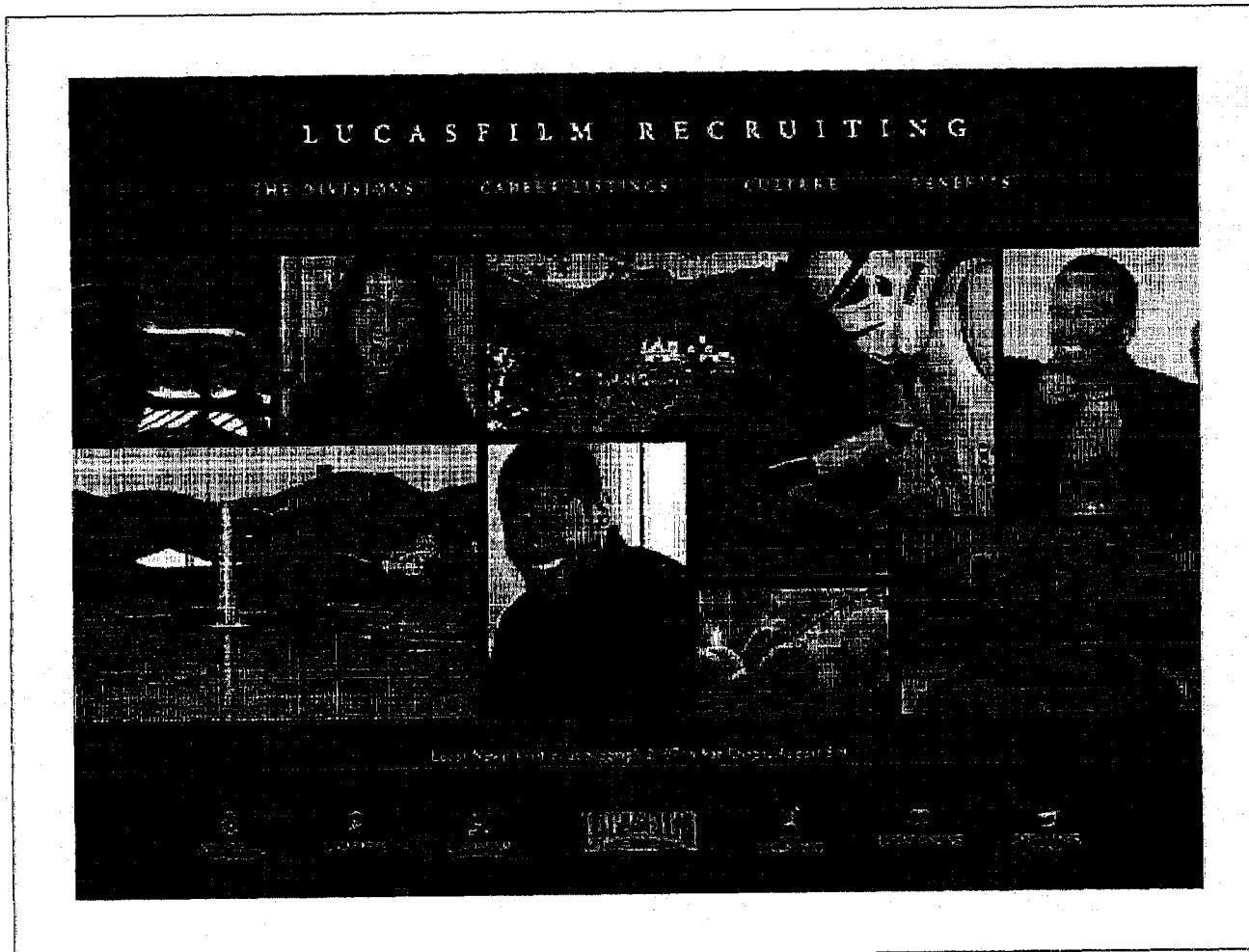
- Better Database for tracking candidates
- Web based so recruiters can work from all locations
- Increased sourcing capabilities
- Automated tracking of the life of the candidate within the system and company
- Increased ability to mine important recruiting data



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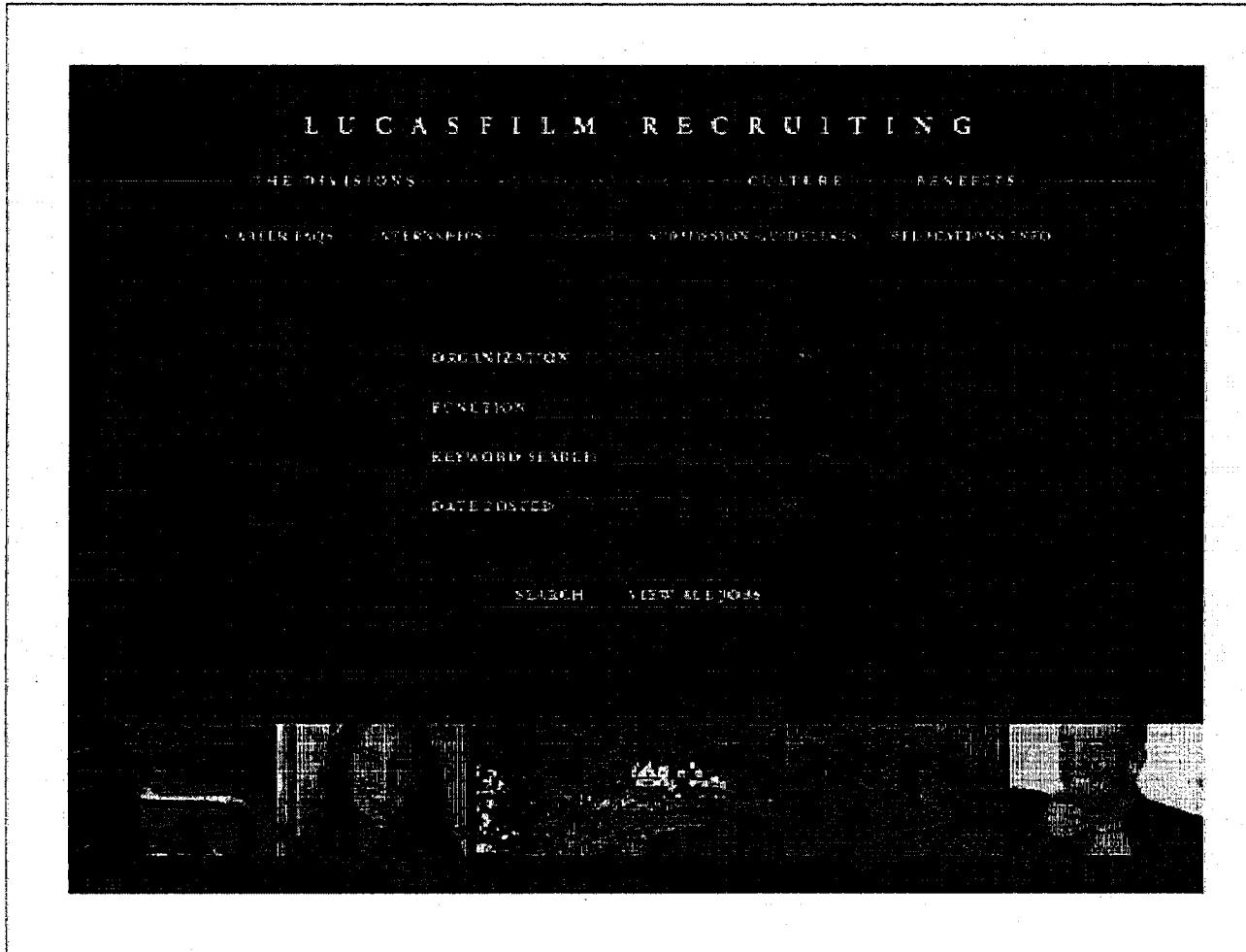
# Recruiting Re-branding



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# Recruiting Re-branding



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## Business Unit Profiles

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ILM

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- Recruiting Headlines:

- High-end technical migrant workers
- Recruiting generally based upon production requirements
- Great reputation
- Easy to recruit Junior talent – almost too many applicants/candidates
- Very difficult to recruit Senior talent



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## LucasArts

---

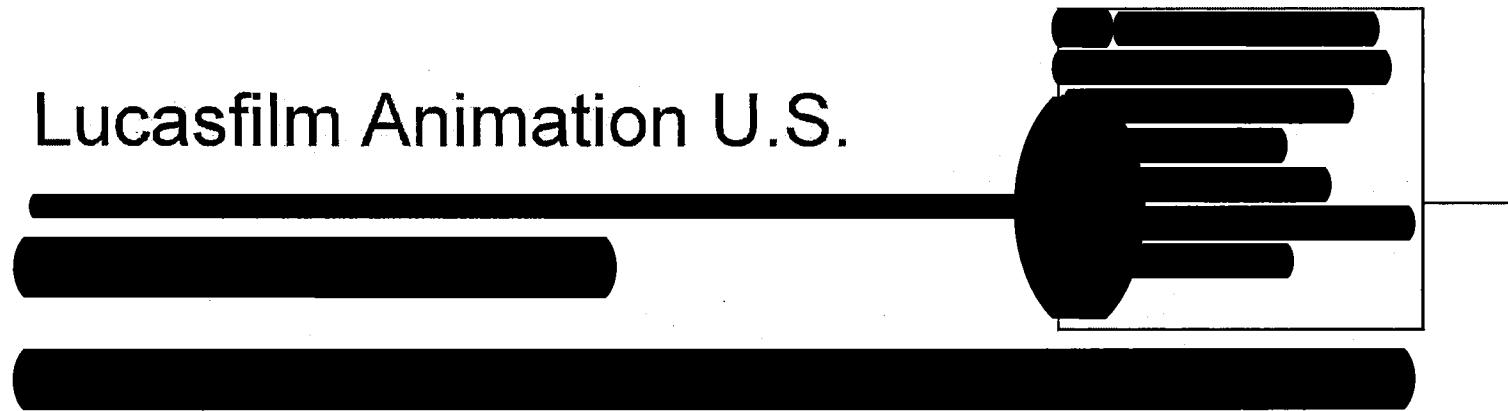


- Recruiting Headlines:
  - No stock, no bonuses
  - Biggest area of growth
  - Rarest type of talent – best talent is PASSIVE
  - Very few candidates apply for jobs
  - Difficult to recruit - new industry, not enough talent



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## Lucasfilm Animation U.S.



- Recruiting Headlines:
  - Feature film with GWL big draw for talent
  - Industry is 20 years old and there is a lot of available talent
  - Cultural fit very important
  - Easy to recruit Junior talent – almost too many applicants/candidates
  - Relatively difficult to recruit Senior talent



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# Lucasfilm Animation Singapore

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- Recruiting Headlines:
  - We didn't have a slide for this. Needs to be fleshed out.



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## Lucasfilm

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- Recruiting Headlines:
  - Nature of work has changed since production of EPs 1-3
  - Very little turnover until the Presidio move
  - Staff needs are growing as we transition from several small companies to one medium sized company
  - Easy level of recruiting difficulty for Junior talent – almost too many applicants/candidates
  - Very difficult to recruiting Senior talent



U9b.6b

## LECL (Shared Services)

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- Recruiting Headlines:
  - Nature of work has changed since moving to Presidio
  - Staff needs are growing as we transition from several small companies to one medium sized company
  - Competition for staff is high; there are many similar opportunities in San Francisco for this group
  - Relatively difficult to recruit employees



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## Skywalker Sound - NEEDS #'s

---

- Total headcount =
- Assumed 2008 recruiting needs: attrition, growth
- Recruiting Headlines:
  - Extremely project based workers
  - Fantasy and Zoetrope have closed leaving few bay area options for migrant talent; many seek work elsewhere
  - Unionized workforce
  - Easy to recruit Junior talent – almost too many applicants
  - Relatively difficult to recruit Senior talent



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## Real Estate (Skywalker Properties/LDAC)

---

- Total headcount =
- Assumed 2008 recruiting needs: attrition, growth
- Recruiting Headlines:
  - We didn't have a slide for this. Needs to be fleshed out.



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